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Serbia Prepares Counter Measures to Croatian Non-Trade Barriers

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Trade Policy Incident Report

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Report Highlights:

In reaction to Croatia's non-tariff barrier to imports of fruits and vegetables, Serbia began to step up control and oversight over all products of plant and animal origin originating in, or arriving from, Croatia, with samples taken from every single shipment and extensive inspection of every single sample. On August 10, Croatia's Agriculture Ministry adopted a rule to eliminate the phytosanitary inspection fee that was imposed over 10 days ago. The new fee will drop from USD 308.50 back to the original USD 14.40, a levy to be charged per fruit and vegetable import shipment from Serbia and other countries.

General Information:

On August 7, Serbian Minister of Agriculture Branislav Nedimovic announced that Serbia has prepared a set of activities and measures to counter Croatia's recent decision to raise the fees (from USD 14.40 to USD 308.50) charged to obtain phytosanitary certificates for the import of fruits and vegetables from countries in the region. On August 3, Serbia sent a protest note to the European Commission regarding its concern over these non-tariff barriers that are a blatant violation of the EU's Stabilization and Association Agreement (SAA) with Serbia. According to Minister Nedimovic, Serbian counter measures will consist of controlling every food shipment entering Serbia from Croatia, including taking samples of each product and submitting those samples for laboratory review. Instead of random checks of food entering from Croatia, Serbia will now inspect and test every imported food product. Due to Serbian regulations, laboratory testing of products of plant and animal origin can last up to 30 days and no imports are allowed until laboratory testing is completed. Minister Nedimovic stated that the import duties for phytosanitary certificates for fruits and vegetables in the EU are between USD 22.80 to USD 28.60 per truck.

Although the announced countermeasures have not gone into effect officially, in practice the control of goods from Croatia was stricter and there was practically no imports to Serbia from Croatia. Reports from border crossings showed columns of Croatian trucks being subjected to detailed, legal checks by Serbian authorities. Anecdotally, truck drivers attest to waiting hours without explanation before an inspector takes samples of the goods to be sent for further analysis, which can last up to 30 days. In one day (August 9), 575 metric tons of food worth USD 623,000 was stopped on trucks on the Croatian-Serbian border.

According to the Serbian Chamber of Commerce, in 2016 agriculture exports from Serbia to Croatia were USD 90 million, of which USD 26 million were fruits and vegetables. In addition, for the first time in ten years, Serbia recorded a surplus in trade with Croatia (mostly due to increased exports of fresh and processed fruits and vegetables). On August 8, the Serbian Minister of Trade Rasim Ljajic and relevant government ministers from Bosnia-Herzegovina, Montenegro, and Macedonia held a meeting and adopted conclusions. In a statement, the ministers called on Croatia to scrap its discriminatory decisions that introduced unfair treatment of domestically-produced and imported fruits and vegetables, and to return its phytosanitary inspection fees for imported produce to average levels in the region and the EU. The ministers also sent a letter to the European Commission, asking the Commission to immediately react and urgently take steps for Croatia to repeal its discriminatory measures.

On August 10, it was announced that the Croatian Prime Minister Andrej Plenkovic tasked his Minister of Agriculture to find a solution to the current situation and to lower the problematic fees in accordance with international treaties, as soon as possible. Due to this request Croatian officials have agreed to eliminate the increased phytosanitary fees on third-country products. According to the Croatian Ministry of Agriculture, from Friday, August 11, phytosanitary fees will revert to the previous level of HRK 90 (USD 14.40) for imported fruits and vegetables.

